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U.S. Office of Price Administration

What wartime price control means to you

[Washington]

1942

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# What Wartime Price Control Means to You

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OFFICE OF PRICE ADMINISTRATION
Consumer Division

MAY 1942

# CONTENTS


| | Page |
|---|---|
| To all Americans | 1 |
| Why Is Price Control Necessary? | 2 |
| What the Price Control Order Means to You | 5 |
| What You Should Know About Price Control | 12 |
| What You Can Do | 14 |
| A Few Questions and Answers | 16 |


(This pamphlet is a reprint of the special May 1942 issue of *Consumer Prices*, publication of the Consumer Division, Office of Price Administration)

MAR 20 1943 PCR

## TO ALL AMERICANS—the people of a country at war—

***Your Government has put a lid on prices, to keep your cost of living from rising any further.***

A price control order has been issued by the Office of Price Administration under the Emergency Price Control Law which was passed by Congress and signed by the President in January 1942.

**The Order Covers Retail Prices**—the prices you pay at the store. It covers wholesale prices—the prices your storekeeper pays. It covers manufacturers' prices—the prices the wholesaler pays.

**Rents and Service Charges Are Also Controlled.**

* * *

***AFTER MAY 18***, your storekeeper cannot charge more for most of the everyday things you buy than his highest price during March of this year.

***AFTER JULY 1,*** the cost of services such as laundry, dry cleaning, and shoe repair cannot go any higher than the highest price in March.

**Rent Rises Must Stop** in the areas where rents have been going up rapidly. In some places they must come down.

**This Means Controlled Prices** on most goods, most services, and most rents in the country.

* * *

***THIS IS A NECESSARY WARTIME MEASURE.***

Every patriotic American will obey it loyally.

*It is important for you to:*

Learn what is covered and what is not covered by the new price order.

Understand why the price order has become necessary.

Know how you can help make it work.

Cooperate with your Government.

# WHY IS PRICE CONTROL NECESSARY?

### *To win the war!*

Rising prices have been pushing up the cost of living on the home front, pushing up the cost of the materials and equipment we need to fight the war. Rising prices have been threatening to deprive us of daily necessities, threatening to interfere with war production.

Since February 1941, the Office of Price Administration has put ceilings on the prices of basic raw materials and on more than 50 percent of the wholesale price structure. But since Pearl Harbor prices have been threatening to get out of control and move up all along the line—retail, wholesale, and manufacturing.

### *There is more money than there are things to buy*

Factories that used to make automobiles are now making tanks. Metals that used to go into refrigerators and vacuum cleaners are now going into planes. Skilled workers who, a month ago, were making radios, are now making airplane detectors.

Mills that used to make textiles for civilian clothing have turned over part of their looms to make uniforms and blankets for our fighting forces. Some of the food that used to be grown and packaged for our needs alone must now be sent to our Allies. Ships that used to carry goods for peacetime use now carry vital war materials.

We are now spending 3 billion dollars a month on planes, tanks, bullets, ships, uniforms, parachutes, antiaircraft guns, gas masks, bombs, and all the other military and naval equipment needed to fight and win the war. By the end of the year, we shall be spending 6 billion dollars a month for war purposes.

That means more weapons and strength to smash the enemy—fewer goods for civilians.

But while goods for civilian use become scarcer, there is more demand for them than ever. With factories operating full blast, more people have more money to spend. In effect, they are bidding against one another for fewer goods, and prices go up.

### *Prices have been increasing dangerously*

Since this war started in September 1939, prices of basic raw materials have increased 66 percent—half of it during the past 12 months.

Wholesale prices have gone up 31 percent—two-thirds of it in the past 12 months.

Retail prices have gone up 25 percent—three-fourths of it in the past 12 months.



This year after taxes and savings, the people of the United States will have about 86 billion dollars to spend. But in terms of current prices there will be only 69 billion dollars worth of things to buy! If something had not been done, the difference of 17 billion dollars would be going into higher and higher prices with no end in sight.

### *Skyrocketing prices hurt everyone*

Your dollar buys less food, less clothes, less of the things you and your family need.

Your income, savings, and insurance are not worth as much. In effect, rising prices during the past year have cut the value of savings accounts and insurance policies by 10 percent.

Your Government has to pay more for war materials and equipment—more for Victory.

Later, when prices fall from their dizzy heights, men lose their jobs. Farmers lose their land. Business firms fail. Investors lose their income. Everyone is worse off. That happened after the last war.

### *Uncontrolled prices endanger war production—and the peace*

Rising prices encourage speculators to hoard. Businessmen cannot plan ahead if costs and prices are unstable. Labor can meet increased prices only by calling for higher wages. Government cannot plan appropriations, war priorities, and allocation of materials unless prices are stable.

While we are striking the enemy abroad, uncontrolled prices could disrupt the war effort at home. Skyrocketing prices are a fifth column ally of Hitler and the Axis. They could bring on inflation, weaken our war production, and lead to economic collapse after we have won the war.

* * *

*The general price ceiling order has been put into effect by the Office of Price Administration to help win the war and safeguard the peace.*

It will halt most price increases.

It will keep your cost of living from skyrocketing.

It will help you buy the clothing, food, and shelter your family needs for health, strength, and well-being.

It will help your Government safeguard war production and equip the fighting forces.

*But Price Control alone will not do the whole job.*

Scarce goods will have to be rationed in some cases, to make sure that everyone shares and shares alike.

Taxes will be greater.

War profits will be limited.

More money must be invested in War Bonds and Stamps.

Wages will have to be stabilized.

Installment buying and credit will have to be limited.

All these are now being worked out by your Government.

•



# WHAT THE PRICE CONTROL ORDER MEANS TO YOU

***The price control order affects every individual in the country.***—In many ways it means more to your pocketbook than any economic action ever taken in the United States.

***It is not a simple thing.***—An order that says "There shall be no more price increases" is not simple. Price control is something that you must give some thought to and understand, if you want to get the greatest benefit out of it for yourself and your family.

There are many things you should know about price control, about your rights and responsibilities as a wartime buyer, about the price-control problems of your storekeeper, about the Government machinery being set up to help you get your fair share of food and clothing and other necessities at fair prices. And you should learn about them as soon as possible.

But right now, there are a few things you must know about price control when you go shopping, buy services, and pay your rent.

***Here are the most important things you have to know about Price Control:***

1. *A store cannot charge more for an article or service than the highest price charged in that store in March of this year.*

The ceiling price on goods sold to consumers goes into effect on May 18.

The ceiling price on services sold to consumers goes into effect on July 1.

(There are certain important goods and services that are not covered by this price control order. See pages 7 and 8.)

A store cannot charge you *more*, but it may charge you *less* than March prices. The price-control order does not "freeze" prices so they cannot change at all. Prices in a store may move up or down, provided they do not go above the ceiling price in that store.

2. *The price of an article does not have to be the same in every store.*

For example, if one store charged 15 cents for a can of tomato juice in March, and the store across the street charged 16 cents for the same can, there may still be that difference in price between the two stores.

If a store in one town sold a pair of shoes for $4.50 in March and a store owned by the same company in another town sold the shoes for $4.75, the two stores may continue to sell the shoes at those different prices.

But in any case, the price must not be higher than the highest price in March. And there is nothing to stop any store from selling at less than March prices if it wants to.

Each store has its own maximum prices; so you must not think a retailer is violating the price-control law if he charges more than another store.

*This is why ceiling prices are not the same in all stores:*

As you know, different stores often charge different prices for the same article. This happens because they operate in different ways. One store delivers goods; another does not. Some stores have charge accounts; others sell for cash only. One kind of store sells a lot of goods at a small profit on each one; another store doesn't sell as much and needs a larger profit to stay in business and serve you.

These different kinds of services mean that stores often have to charge different prices for the same article. The price-control order does not create different prices. They existed before.

This difference between stores means that *you can still make savings* by shopping around in different stores to find the best buys for your money.

3. *A number of important goods and services are not covered by the price-control order.*

Certain foods are not included because of the terms of the Emergency Price Control Law passed by Congress in January. Raw farm products cannot be placed under a price ceiling until they have reached certain levels. Some farm prices have not yet reached these levels. *But this does not mean that farm prices can go up and up without control.* When farm prices reach the levels provided by law, the Office of Price Administration can put a lid on them, too. Meanwhile most processed foods, such as cereals and canned goods, are controlled.

Some things are not covered because they do not have organized markets and it would be almost impossible to determine maximum prices. These include such things as fresh fruits and vegetables, and food sales by restaurants and hotels. But if these prices start shooting up, the Office of Price Administration will control them.



Streetcar fares, electricity rates, and other transportation and public utility prices are not included—they are excluded by the Price-Control Law; in almost every community these are already regulated by law.

Things like paintings, antiques, and precious stones are omitted because they do not have a standard price and are not important in the daily living of the average family.

And there are other exceptions which are not important in your cost of living.

***Here is a list of the most important exceptions:***

### A. *FOODS*

| THESE ARE *NOT* PRICE CONTROLLED | BUT THESE *ARE* |
|---|---|
| Eggs and poultry. | Most processed foods, manufactured or prepared in some way. |
| Butter, cheese, canned milk, and some other milk products. | Fresh milk, buttermilk, cream, and ice cream sold at retail. |
| Ordinary flours, packaged or loose. | Bread, bakery products, packaged cake mixes, and other packaged flour mixes in 3-lb. packages or less. |
| Fresh fruits and vegetables. | Bananas. |
| Mutton. | All pork and beef cuts, including fresh, canned, and smoked. |
| Dried prunes. | All dried fruits except prunes. |
| Canned citrus juices and citrus fruits. | Other canned and frozen fruits and vegetables. |
| Nuts. | |
| Dry beans, peas, lentils, and hops. | All other dry human foods. |
| Fresh fish, sea food, and game. | Canned fish, pickled and smoked fish. |
| Live animals. | Canned, smoked, or prepared meats. |
| Food and drinks, prepared and sold by restaurants, soda fountains, and bars for consumption on the premises. | Pet foods. |
| | **And all other food products not listed in the opposite column.** |

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## B. *THESE SERVICES ARE NOT PRICE CONTROLLED*

Personal services not rendered in connection with a commodity, such as those received in beauty and barber shops.
Doctor, dentist, lawyer, and other professional services.
Movies, theaters, and other entertainment admissions.
Transportation, gas, electricity, telephone, and other public utilities.
Services directly relating to land or buildings.
Insurance, underwriting, advertising, and press services.
Service of an employee to his employer.

*But services like laundry, dry cleaning, shoe repairing, garages, storage, and others rendered in connection with a commodity ARE PRICE CONTROLLED.*

## C. *OTHER THINGS THAT ARE NOT PRICE CONTROLLED*

Books, magazines, and newspapers.
Stocks, bonds, notes, and other securities.
Stamps and coins; precious stones; antiques and knotted oriental rugs; paintings, etchings, sculptures, and other objects of art.
Linseed and cottonseed cake and meal, linseed oil.
Mixed feed for cattle.
Certain special kinds of sales, such as:

Sale of personal property by the owner;
Bazaars and sales by religious and charitable organizations, conducted without private profit;
Sales by a farmer of processed commodities totaling less than $75 a month.

* * *

There are a few other exceptions, but those listed above in A, B, and C are the ones most important to you.

*Those exceptions are important. You should make a note of the ones that concern you when you go shopping.* Then you will know which things are price controlled. You will also avoid misunderstandings with your storekeeper.

* * *

4. *After May 18, every store must mark the legal ceiling price of certain goods where you can see it.*

These goods are the ones which are most important in the cost of living of most Americans. The actual selling price of the article may be less than the ceiling price indicated, or just the same. *But it cannot be more.*



If the ceiling price indicated by the store is higher than its particular legal ceiling (that is, its highest price in March of this year), the storekeeper is violating the law and is liable to severe penalties. But the Government expects that practically everyone will obey the law voluntarily. So you have double protection—the law *and* the cooperation of your storekeeper.

*The legal maximum price may be marked in any of the following ways:*

On the article itself;
On the shelf, bin, rack, or container;
On a sign or on the wall near the counter where the article is displayed.

It will look like this: "Ceiling Price, $4.95" or "Our Ceiling, 79¢." And the actual selling price may also appear.

The store does NOT have to mark ALL prices this way.

Marking all controlled prices in this way would be a very difficult, lengthy, and expensive job for retailers. But in some stores, you may find all price-controlled goods marked with both the "ceiling price" and the selling price.

*Stores are required to show the ceiling prices on more than 100 different kinds of goods*—those that are most important in the cost of living. Here are the chief things that must be marked in this way:

**Foods:** Bread; packaged flour mixes; fresh milk and cream; ice cream; principal beef and pork cuts; principal canned fruits and canned vegetables; lard; sugar; coffee; cocoa; salt; canned salmon; macaroni and spaghetti; infants' food; and certain other foods.

**Household Sundries:** Toilet paper, soaps in all forms, paper napkins.

**Men's and Boys' Clothing:** Suits; coats; trousers; men's shirts other than formal; boys' shirts; cotton, wool, and part-wool pajamas and nightshirts; cotton shorts; cotton knit undershirts; union suits; felt hats; hosiery, except pure silk and pure wool; overalls; sweaters; work gloves; boys' gloves and mittens; boys' jackets; and a few others.

**Women's and Girls' Clothing:** Coats; suits; street and house dresses; hosiery; panties; slips; foundation garments and brassieres; gloves; skirts; rayon or cotton tailored blouses and shirts; sweaters; nonsilk nightgowns and pajamas; flannel and cotton

robes and housecoats; children's snow suits; children's cotton overalls, slacks, sun suits, and shorts; children's jackets.

**Infants' Clothing:** Diapers; nonsilk dresses; shirts; binders; sleeping garments; snow suits; sweaters; cotton sun suits; cotton and wool coats.

**Yard Goods:** Cotton yard goods; rayon yard goods; wool and wool mixtures.

**Footwear:** Men's, women's, and children's shoes for street, work, dress, or sport; infants' shoes; rubber footwear.

**Tobacco Products:** Cigarettes and tobacco.

**Drugs, Toiletries, and Sundries:** Aspirin; milk of magnesia; liquid cod liver oil; epsom salts; boric acid; castor oil and mineral oil; witch hazel and rubbing alcohol; hand and toilet soaps, tooth paste, powder, and liquids; shaving cream; toothbrushes; razor blades; sanitary napkins; facial tissues.

**Household Appliances and Equipment:** Radios and phonographs; vacuum cleaners and carpet sweepers; refrigerators and iceboxes; washing machines; sewing machines; stoves and ranges; small appliances; irons, toasters, glass coffee makers, and mixers; floor and bridge lamps; light bulbs; ironing boards; step-on cans; floor brooms; and certain china and cooking utensils.

**Furniture:** All living room, dining room, and bedroom suites, (sets or individual pieces); kitchen tables and chairs; studio couches and sofa beds; mattresses; bedsprings.

**Furnishings:** Certain rugs and carpets; linoleum; felt base floor coverings; cotton bed sheets and sheeting; cotton bathroom and kitchen towels; blankets and comforts; house curtains; cotton bed spreads; cotton tablecloths and napkins; window shades.

**Ice, Fuel, and Automotive Products:** Ice; coke; coal (hard and soft); charcoal; firewood; kerosene; fuel oil; gasoline; oil; tires and inner tubes.

**Miscellaneous:** Insecticides; flashlights; bicycles; and certain hardware supplies.

*The goods listed above are not the only ones price-controlled. They are the only ones that must be MARKED to show the legal maximum price.* All goods and services are price-controlled except those indicated on pages 7 and 8 of this book.



5. *Rents will be controlled in all places where there have been large rent increases or where increases threaten.*

These places are known as "defense-rental" areas.

They include 323 areas holding 86 million out of the 132 million people of the country.

By consulting your local newspaper or the local War Price and Rationing Board, which will soon be set up in or near your community, you will know whether your community is in one of the 323 areas where it has become necessary to control rents.

In 259 of these areas OPA has acted to bring rents back to those charged on March 1, 1942. This will wipe out increases which may have taken place on spring moving and leasing dates.

In the other 64 areas, many rent increases which took place before this year have been judged exorbitant by the Office of Price Administration. In these areas, reductions to the rent levels of January 1, April 1, or July 1, 1941, have been recommended by OPA.

In all 323 areas the maximum-rent dates have been recommended by OPA. If rents generally have not been reduced to what they were on the date recommended by OPA in your area within 60 days—that is, by the beginning of July—the OPA can appoint a Federal rent director in your area to reduce and stabilize the rents. This is the method required by the Emergency Price Control Law of January 1942.

Moreover, to assure effective control, the OPA will take steps to secure tenants against eviction.

6. *A local War Price and Rationing Board will be set up soon in or near your community, to help control prices.*

This board will receive complaints of ceiling-price violations.

As soon as your local War Price and Rationing Board is fully organized, you will be able to get further information on price control. If you find that maximum prices are being violated, you will be able to report it to your local board for investigation and action. Your local board will tell you how you can best cooperate with the Government and with your retailer to make price-control work.

*But be patient.*—It will take a while for the local War Price and Rationing Board to be set up and start operating. It will also take time for your retailer to learn all the things he has to do under the price-control order.

And it will take time for you to learn what your responsibilities and rights are under Price Control. That is the first thing you should do—educate yourself about Price Control.

•

# WHAT YOU SHOULD KNOW ABOUT PRICE CONTROL

***The most important facts for you to know are those which will affect your daily shopping.*** To summarize, these are:

1. The maximum legal price that a retailer can charge for any article or service that is price controlled is *his* highest price in March of this year. (The ceiling on services does not go into effect until July 1.)

2. The price does not have to be the same in every store.

3. Certain important things are not price controlled. Know what they are.

4. The maximum legal price must be displayed for important cost-of-living goods. Know what they are.

***It cannot be repeated too often that Price Control is not a simple thing—not for your Government, not for your retailer, not for you.***

But it will not be hard for you to get the price protection you are entitled to under the order, if you first make a real effort to know all you can about price control.



During the next few weeks you should do these things—as many of them as you can manage:

Read the explanations of price control which will appear in your local newspapers.

Listen to the radio programs that will explain price control.

Discuss it with your family, neighbors, and friends, so all of you will understand how it works.

Have your clubs, unions, and church groups give some study and discussion to price control.

***Understand the problems your retailer is facing; try not to bring up unjustified complaints. You can avoid misunderstandings by knowing the facts.***

Here are a few of the things your storekeeper is going to be busy doing to help you:

He must register his store in the near future.

He must make a record of the ceiling price on everything he sells.

He must mark or post the ceiling price of important cost-of-living goods and file this list with OPA by June 1.

He will continue his efforts, as always, to keep on hand a supply of the things you buy from him.

He will try to maintain the best possible service to you.

* * *

***You can also help make price control work by learning more about the quality of the things you buy.***

Goods of different quality have different prices. A top-grade calfskin shoe costs more than a lower-grade leather. An all-wool sweater may have a different price than one made of a rayon-and-wool mixture. To know whether the price you pay for a pair of shoes is at or under the maximum legal price, you need to know something about the quality of the shoe.

*And knowing about quality is important* for another reason. Because so many vital materials like wool and leather are needed for clothing for our fighting forces, there will be changes in the quality of the things you buy. But a change in quality does not necessarily mean a poorer quality. Suits made of good grades of reprocessed or reused wool often wear better than those made of low-grade new wool.

Learning more about the quality of the clothes, house furnishings, and other things you buy will help you judge whether you are being charged a fair price under the maximum-price regulation.

The Office of Price Administration plans to help you learn more about the quality of the things you buy. And OPA will do its best to protect you against price control evasion through quality deterioration.

Learning about quality will also save you money and help the war effort. For with information about the construction, durability, and care of goods, you can pick those that give you the most for your money; you can choose those that will last longest and thus put the least strain on important materials that are needed for the war.

Price control—quality—making things last longer—the war—all of these are tied up together in your job on the home front. Learn all you can about them.

## WHAT YOU CAN DO

By knowing all you can about the provisions of the price-control regulations, the goods and services that are covered and those that are not, and your retailer's responsibilities, you will have fulfilled a major part of *your* responsibility in making Price-Control work.

* * *

***There are other things you can do.***

***If you believe you are being charged more*** than the legal price, first talk it over with your retailer in a friendly way. It may be that you are mistaken. Or it may be that the store is charging more than it should without realizing it.

Mistakes like that will happen. It is far better to straighten them out in the store if you can. Most stores will be glad to correct the price and make the adjustment at once if they are wrong.

***Don't depend on your memory for the legal maximum prices that were charged in March.***

If you are not sure of a ceiling price, consult the posted prices in the store or ask your retailer. In most cases, he will be glad to tell you what his March price was. If you are asked to pay more than the posted ceiling price, you can be *sure* you are being overcharged.

If you want to keep a record of the present cost of the price-controlled things you buy, that may help you later on.

If you are sure you are being charged more than the legal price when you buy something, ask for a sales slip or receipt so you will have a record of the transaction.

A store that has customarily given you a sales slip or receipt with a purchase in the past must continue to do so. And any store must give you one now if you ask for it.



***If you are sure a store is charging more*** than the legal price and the storekeeper will not correct it after you have discussed it with him, you should report the violation to the War Price and Rationing Board when it is set up in or near your community, sometime soon. You don't have to go to the board in person. In fact, writing to the Board will be easier. You need not worry that this will embarrass you in any way. Your name will be kept confidential by the OPA and not told to the storekeeper. Besides, it is your wartime duty to report violations *when you are sure* that they are violations.

When you do report an overcharge, make your report as complete as you can. This will help the Government investigate. Include the name of the store; date of purchase; price paid by you or asked by the dealer; name and make of the article, grade, size, and any other information you have about the article. If you know it, also report the price charged for the article by that store during March of this year, the base period for price control. Enclose the sales slip or receipt if you have one. Sign your name and address.

Your local OPA board will investigate. If it is a violation which the store refuses to correct, the OPA can bring court proceedings to suspend the license of the store. And there are penalties and fines provided by the Emergency Price Control Law for violations.

All this means work—lots of work—for your local OPA board. So be sure yourself that there is really a violation before you report it. Most retailers will do their best to obey the law. *You will not be helping yourself or your Government if you report violations that are not really violations.*

* * *

**Find out whether you are living in a defense-rental area.**

Watch your local newspaper to find out if you live in such an area and to find out the date on which maximum rents will be fixed. If in doubt, write to the Consumer Division, Office of Price Administration, Washington, D. C.

If there is a rent ceiling in your area and you believe your rent is higher than the legal maximum, first talk it over with your landlord.

If he is charging you more than the law allows, chances are that he will reduce the rent after you have discussed it thoroughly with him. It will be less costly for your Government—and thus, for you—if you can settle it this way. Besides, it will be easier for you. You may still have to live there for a long time and get along with your landlord after a rent adjustment has been made.

If that doesn't help, you will be able to make an application for adjustment of your rent at an OPA office which will be established for that purpose.

# A FEW QUESTIONS AND ANSWERS

What you have read in this booklet up to this point does not cover all provisions of the price-control order. But it does cover the points that are most important to you in your daily living.

Here are some additional questions you may have, and the answers to them:

**Q.** What right has the Government to control prices?

**A.** Price control is authorized by Congress and by the Constitution of the United States. Congress passed the Emergency Price Control Law in January 1942, giving the Office of Price Administration the authority to control prices with certain limitations. Under the Constitution, the President has the responsibility in wartime to take such measures as are necessary to assure the safety of the American people and victory in the war.

* * *

**Q.** Why didn't the Government fix a specific price for every article instead of setting maximum prices based on March?

**A.** There are millions of different goods, services, and raw materials sold in this country. It would take an army of persons many months and would cost the taxpayer millions of dollars in extra Government expense to fix each price individually. Besides, different stores and manufacturers have different costs. Therefore they must charge different prices if they are to stay in business and serve you. That is why the Office of Price Administration selected a "base period" (March 1942) and ordered that prices should not go higher than they were in each store during that period.

* * *

**Q.** Why was March 1942 chosen for the base price period?

**A.** Chiefly because choosing an earlier period would have caused considerably more trouble for business. As it is, many retailers, especially small merchants, are going to have a hard time determining their maximum prices, because until now they have not been compelled to preserve complete records. Moreover, consumers would have a much harder time remembering prices. By setting March as the base period, the regulation will be that much easier to comply with and enforce.

* * *

**Q.** Why is the store's highest price during March chosen as the controlled maximum price? Why not the lowest or the average price during March?



**A.** The lowest March price was not selected as the legal maximum for two reasons. First, because that would make the regulation harder on retailers and might force many out of business. Second, because many stores ran special sales and bargains in March, as they often do. Those special sale prices were an advantage for consumers, but in many cases they do not represent a fair price for the retailer as a regular thing. Actually the prices of many things in many stores did not change at all during March, and the highest March price was the same as the lowest March price.

* * *

**Q.** When does the Price Control Regulation go into effect?

**A.** It went into effect on May 11 on wholesale and manufacturers' prices; on May 18 on prices of goods sold at retail; it goes into effect July 1 on services sold at retail to consumers.

* * *

**Q.** Why is the effective date on services later than it is on goods sold at retail?

**A.** This price-control action is in many ways the most far-reaching economic action ever taken by your Government. By delaying the effective date on retail services until July 1, OPA has a little more time to set up machinery for administration of this part of price control.

* * *

**Q.** Why are fresh fruits and vegetables not covered by the price regulation?

**A.** Chiefly because of the many complications which would arise in trying to control prices on such commodities which vary widely in price and quality from season to season and in different parts of the country.

* * *

**Q.** Has the Office of Price Administration set any price ceilings before this general price-control order?

**A.** Yes; many of them. For more than a year, the OPA has used the system of "selective price control." That is, when the price of individual raw materials or commodities has threatened to shoot up dangerously, the OPA has placed a price ceiling over those commodities. More than 50 percent of all wholesale prices were under price ceilings by the middle of April 1942.

* * *

**Q.** Why hasn't selective price control succeeded in stopping the rising cost of living?

**A.** For a time, the selective method did succeed in preventing dangerous increases in the cost of living. But since Pearl Harbor, the pressure on prices has become greater and greater. By last month, it became apparent that prices might burst entirely out of control unless something were done. Prices were beginning to move up all along the line, too fast to catch and control them by the selective method. The only way to meet the threat was by general price-control action.

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**Q.** What will retailers do if the prices they are paying to wholesalers are too high for them to be able to sell to consumers at the controlled price and still make their necessary expenses?

**A.** First of all, the retailer must keep on selling at the controlled prices. That is a sacrifice he must make for a while for the war. (And that is another good reason why you should be patient with your retailer—he is really making a sacrifice.)

Then, where necessary, this "squeeze" on retailers will be "rolled back" by the Office of Price Administration. That is, OPA will act to relieve the "squeeze" on retailers by adjusting the wholesalers' or manufacturers' prices downward.

That is the general principle on which the Government is operating price control: to keep retail prices controlled at the levels set by the regulations and relieve the preretail pressures that tend to force prices up. This will help distribute the price on a retail sale as fairly as possible among the retailer, wholesaler, and manufacturer.

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**Q.** Aren't wholesalers' and manufacturers' prices controlled?

**A.** Yes. Prices are controlled at all levels. Retailers, wholesalers, jobbers, manufacturers—none of them can sell those things which are price-controlled at prices higher than the top price they were charging in March.

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**Q.** Couldn't a merchant who wanted to evade the price-control order do it by selling a smaller quantity or less weight at the same price?

**A.** The Government expects that practically every store in the country will obey the order. But for those few unpatriotic merchants who might try to get around price control, the regulation makes it illegal for them to do so, and penalties are provided.

A store is not allowed to sell you a smaller quantity of the price-controlled article at a certain price if it sold you more for that price in March. If it does, this is a clear evasion of the order. For example, if a store sold you a 16-ounce loaf of bread in March for 9 cents, it cannot charge you 9 cents for a 12-ounce loaf of the same bread. If during March a store's highest price for soap was 10 cents a cake, 3 for 25 cents, it cannot sell you 3 cakes for more than a quarter.

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**Q.** Couldn't an unpatriotic merchant get around price control by cutting out certain services he used to give or by selling poorer quality merchandise at the same price?

**A.** A storekeeper must obey the spirit as well as the letter of the law. He cannot eliminate services simply in order to avoid the requirements of the price-control order.

But that does not mean that stores cannot change their services at all. Stores can cut down on deliveries to save tires and gasoline. They can cut down on paper bags and wrappings to help save paper for war needs. And they will be encouraged to make certain other economies to help them adjust their businesses to the price "squeeze."

As far as quality is concerned, a store cannot sell you a poorer quality article as a method of evading price control. However, it should be realized that the needs of war production for many materials, such as leather and wool, will have to result in poorer quality goods for civilians in some cases. If those goods are cheaper to manufacture, the Office of Price Administration will make every effort to see that the price is reduced proportionately.

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**Q.** What about articles that were not carried by a store in March—how will their ceiling prices be set?

**A.** If an article was not carried in March, it must be given the same maximum price as the most nearly similar article that the store sold in March. If the store has no similar article, the maximum price must be based on the highest price charged during March by the most closely competitive seller of the same kind. If the "competitive seller" does not have the same goods, the store that is seeking to determine its ceilings must use the most nearly similar commodity in the competitive

store, as outlined above. Otherwise, the storekeeper will determine a price in ways provided by the price control regulation and report it to OPA.

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**Q.** How can the consumer tell whether the price asked for a controlled article is not higher than the legal maximum price, that is, the March price?

**A.** Most retailers keep records of their prices and will do their best to obey the law. In most cases, consumers can feel assured of their storekeeper's honesty. In other cases, consumers can check back on their own sales slips or budget entries for March, if they kept them. Or they can see if their neighbors have such records. After July 1, a consumer will have the right to see the store's record of the March price of an article. But consumers should not try to exercise this right until then, and after that date they should exercise good judgment before making such a request. If every shopper were to ask to see a store's records, the storekeeper would not have time to attend to his business and his customers' needs.

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**Q.** Is there any connection between price control and rationing?

**A.** Everything, with the exception of the goods and services listed on pages 7 and 8, is price-controlled. But the only goods that are rationed to consumers by the Government are those which are scarce and essential or which might otherwise be scarce because of the war.

Rationing makes certain that everyone will have the chance to share and share alike; it prevents those with more money from getting more than their fair share. By May 15, 1942, the only things which were being rationed by the Government were sugar, tires, tubes, automobiles, bicycles, typewriters; and gasoline in certain parts of the country.

Rationing and price control are very closely related in supplying civilian needs. Rationing makes sure that no one will get more than his fair share; price control makes sure that he will get it at a fair price. Rationing determines "how much you get"; price control determines "how much you pay."

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**Q.** How are we going to make sure that prices are really controlled?

**A.** This is a job of cooperation—cooperation between your Government, your storekeeper, and you. Obeying the price-control regulations is as much a part of wartime duty on the home front as a soldier's obedience to his officers' commands on the military front. Cooperation, patriotism, and the "teeth" in the Price-Control Law will guarantee enforcement.



U. S. GOVERNMENT PRINTING OFFICE: 1942

# IN A NUTSHELL

***Here, in a nutshell, are your responsibilities as a wartime consumer on the home front:***

LEARN ALL YOU CAN ABOUT PRICE CONTROL.

LOOK FOR POSTED CEILING PRICES—on cost-of-living commodities.

REPORT CEILING PRICE VIOLATIONS, which the storekeeper refuses to correct.

DON'T OFFER MORE THAN THE LEGAL MAXIMUM PRICES—REFUSE TO PAY MORE.

LEARN ABOUT THE QUALITY OF THE THINGS YOU BUY.

OBEY ALL RATIONING REGULATIONS LOYALLY.

BUY ONLY WHAT YOU NEED *NOW*—hoarding is unpatriotic.

TAKE GOOD CARE OF THE THINGS YOU HAVE.

DON'T WASTE ANYTHING.

BUY WAR BONDS AND STAMPS.

OFFICE OF PRICE ADMINISTRATION
CONSUMER DIVISION
Washington, D. C.
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PENALTY FOR PRIVATE USE TO AVOID
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